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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re

LEHMAN BROTHERS INC.,

Debtor.

Case No. 08-01420 (JMP) SIPA

**APPELLANT CLAREN ROAD CREDIT MASTER  
FUND LTD.'S STATEMENT OF ISSUES PRESENTED ON  
APPEAL AND DESIGNATION OF THE RECORD**

Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, Appellant Claren Road Credit Master Fund Ltd. (“**Claren Road**”) hereby designates the items to be included in the record and sets forth the statement of issues on its appeal from the *Order Confirming the Trustee’s Determination of Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056* entered by the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) on January 31, 2014 [D.I. 8176]. This Statement of Issues Presented on Appeal and Designation of the Record is timely pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure.

**I.**

**STATEMENT OF ISSUES ON APPEAL**

1. Did the Bankruptcy Court err in granting the *Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b)* [D.I. 7539]?
2. Did the Bankruptcy Court err in ordering the subordination of Claren Road's breach of contract claim against Lehman Brothers Inc. pursuant to 11 U.S.C. § 510(b)?
3. Did the Bankruptcy Court err in holding that 11 U.S.C. § 510(b) was not ambiguous and refusing to consider the legislative history and intent of the statute?

**II.**

**DESIGNATION OF RECORD**

| <b>Designation Number</b> | <b>Date of Filing</b> | <b>Docket and Exhibit Number</b> | <b>Description</b>   |
|---------------------------|-----------------------|----------------------------------|--|
| 1.                        | April 9, 2010         | 3054                             | Objection of Claren Road Credit Master Fund, Ltd. To Trustee's Determination of Claim  |
| 2.                        | October 25, 2013      | 7539                             | Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b)  |
| 3.                        | October 25, 2013      | 7540                             | Declaration of Ramsey Chamie in Support of the Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b) |
| 4.                        | October 25, 2013      | 7540<br>Ex. A                    | Objection of Claren Road Credit Master Fund, Ltd. to Trustee's Determination of Claim  |
| 5.                        | October 25, 2013      | 7540<br>Ex. B                    | Copy of Claren Road's Customer Account Agreement Prime Brokerage   |

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| 6.  | October 25, 2013  | 7540<br>Ex. C | Copy of Customer Claim Form of Claren Road Credit Master Fund, Ltd. received by Lehman Brothers Inc. Trustee  |
| 7.  | October 25, 2013  | 7540<br>Ex. D | Notice of Trustee's Determination of Claim  |
| 8.  | November 8, 2013  | 7625          | Objection to Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b)  |
| 9.  | December 20, 2013 | 7944          | Reply in Further Support of the Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b)                               |
| 10. | December 20, 2013 | 7945          | Reply Declaration of Dina R. Hoffer in Further Support of the Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b) |
| 11. | December 20, 2013 | 7945<br>Ex. A | Lehman Securities Programs Proof of Claim No. 64113, <i>In re Lehman Bros. Holdings Inc.</i> , No. 08-13555 (JMP) (Bankr. S.D.N.Y. Oct. 30, 2009) filed by Claren Road  |
| 12. | December 20, 2013 | 7945<br>Ex. B | Lehman Securities Programs Proof of Claim No. 64114, <i>In re Lehman Bros. Holdings Inc.</i> , No. 08-13555 (JMP) (Bankr. S.D.N.Y. Oct. 30, 2009), filed by Claren Road   |
| 13. | December 20, 2013 | 7945<br>Ex. C | Proof of Claim No. 33475, <i>In re Lehman Bros. Holdings Inc.</i> , No. 08-13555 (JMP) (Bankr. S.D.N.Y. Sept. 21, 2009), filed by Claren Road   |
| 14. | December 20, 2013 | 7945<br>Ex. D | "Informational Notice Regarding Distributions on Public Securities Issued by LBHI," dated September 27, 2013, and made available on the website for the LBHI Chapter 11 proceeding  |
| 15. | January 27, 2014  | 8127          | Memorandum Opinion Authorizing and Directing the Subordination of Claim of Claren Road Credit Master Fund Ltd. and Certain Underwriters   |
| 16. | January 31, 2014  | 8176          | Order Confirming the Trustee's Determination of Claren Road Credit Master Fund Ltd. Customer Claim 900005056  |

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| 17. | February 18,<br>2014 | 8252 | Transcript regarding Hearing Held on January 8, 2014 RE: Trustee's Motion for an Order (1) Confirming the Trustee's Denial of SIPA Customer Status to Claren Road Credit Master Fund Ltd. Customer Claim No. 900005056, and (2) Subordinating the Claim Pursuant to Bankruptcy Code Section 510(b) |
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Dated: New York, New York  
February 18, 2014

Respectfully submitted,

/s/ Marshall R. King  
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